

ICON RESOURCES LTD

**ANNUAL REPORT FOR THE
PERIOD ENDING 9 FEBRUARY 2011**

HENTY ROAD – EL47/2004

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1 ABSTRACT

Henty Road EL47/2004 is held by South Eastern Resources Pty Ltd (SER), a wholly owned subsidiary of Icon Resources Ltd.

The 23 sq km licence straddles the Henty Road, south of Zeehan in Western Tasmania. The main focus of exploration on the lease has been on the Grieves Siding prospect where zinc mineralisation occurs within the Ordovician Gordon Limestone, mostly as a complex of zinc 'oxides' and in near-surface peat-hosted sphalerite.

The main activity for the year has been the ongoing review of the basement targets from the geophysics and investigation of additional metallurgical characterisation and extraction studies on the "zinc-in-peat" resources .

2 INTRODUCTION

This report details the work completed on EL47/2004 for the period ending 9th February 2011.

The main focus of work has been the Grieves prospect of carbonate-hosted zinc mineralisation and overlying peat-hosted zinc. The mineralisation lies under swampy button grass plains adjacent to Henty Road, about 12 km south of Zeehan.

3 TENEMENT STATUS

Henty Road (EL47/2004) covers 23 sq km on either side of Henty Road, south of Zeehan in Western Tasmania (Figure 1).

Henty Road was granted to South Eastern Resources Limited (SER) on 10 February 2005 for a period of five years and extension of the licence for a further two year term has been sought.

4 TOPOGRAPHY AND ACCESS

The Henty Road, linking Zeehan and Strahan transects the license, providing ideal access. East of the road the license falls within the Dundas Regional Reserve and west of the road is within State Forest.

In the area of the zinc prospects the Henty Road traverses the Badger River valley. For several hundred metres either side of the road there are low-lying swampy button grass plains overlying weathered limestone. The plains are flanked west and east by escarpments of sandstone quartzite 70-90m high.

5 GEOLOGY

5.1 Regional Geology

The regional geology of western Tasmania was dominated by rifting during the Late Precambrian to Early Cambrian. This was followed in the Early to Mid Cambrian by arc-continent collision, subduction and ultramafic allochthon emplacement. The Dundas Trough developed containing siliciclastics and volcanic derived sediments. To the east and interfingering with the sediments the Mount Read Volcanics were being formed. The base of the Ordovician sequence is typically localized conglomerates and grades up to sandstones and carbonates. The Mid Ordovician carbonates of the Gordon Group are part of a widespread sedimentary basin with variable rates of subsidence. These are the host rocks for prospects within the license (Figure 2).

5.2 Local Geology

The rocks in the licence are a conformable Ordovician to Devonian sedimentary sequence overlying Cambrian basement. Cambrian basement rocks occur in the southern part of the license and are mainly interbedded siltstone and sandstone with some magnetic mafic igneous rocks.

The basal unit of the Ordovician sequence is the pink, silicified and coarse grained Owen Conglomerate. Within the lease it is overlain by siliceous fine grained Moina Sandstone. To the east of the lease the Moina was faulted-out, or deposited only to the west as a result of syn-depositional faulting.

Overlying the Moina Sandstone is Ordovician Gordon Limestone, assumed to be at least 700m thick within the licence. The dark grey limestone contains various facies including a basal bioclastic argillite and oolite which has been pervasively dolomitized and sideritized.

The Lord Siltstone, a fine grained argillaceous unit, forms a marker throughout the Gordon Limestone. An Upper Dolomite unit is recognized in the Zeehan area.

There are occasional outcrops of limestone visible in road cuttings and the limestone has been strongly weathered to a depth of several hundred metres. The top 20m is highly weathered to form an undulating surface that has been infilled by organic material (peat) and "slumped" blocks of limestone. The peat is overlain by up to 8m (usually <2m) of hard Moina Sandstone gravel that has shed off the escarpment from the southeast and a surface veneer of swampy peat.

The Gordon Limestone is conformably overlain by Silurian Crotty Quartzite that dips steeply northeast.

The Owen Conglomerate, Moina Sandstone and Crotty Quartzite form 70-90m high escarpments either side of the low-lying weathered limestone.

The sediments are folded around axes trending NW and cut by a series of NW-trending faults (Figure 3).

6 PREVIOUS EXPLORATION

Previous exploration has been summarised in a previous annual report (Lewis, 2006).

7 MINERAL OCCURENCES

This summary was partly compiled from Russell and Tear, 1996.

Previous explorers have interpreted zinc-lead mineralisation within the Gordon Limestone to be pre-Devonian in age and unrelated to the Tabberabberan Orogeny (i.e., in contrast to most of the Zeehan silver-lead field). The Gordon Limestone was deposited at the end of a period of major tectonic activity that produced the Mount Read Volcanics. Hydrothermal systems may have continued to emit metals into the Gordon Limestone via basement and syn-sedimentary faults.

Five zones within the Gordon Limestone have been recognised as targets for zinc-lead mineralisation.

- Stratabound at the lower limestone-sandstone contact. This zone is characterised by carbonaceous and/or ferruginous clays less than 50m thick above the contact with the Moina Sandstone. It can be overlain by a massive siderite zone less than 25m thick.

- Stratabound at the upper limestone-quartzite contact. This zone is typically within the Upper Dolomite Unit.
- Stratabound within a brecciated (possibly syn-sedimentary) and/or sideritized unit in the middle of the limestone.
- Structurally controlled discordant mineralisation. This can occur throughout the limestone sequence and may be the late-stage filling of brittle fractures.
- Surficial peat hosted: e.g., at the Grieves prospect, the peat layer beneath the sandstone gravel contains significant values of zinc in zones directly overlying the limestone-hosted oxide mineralized zone. Recent work has shown the metals occur within the clays as fine colloform sphalerite and galena, apparently actively depositing within the organic carbon and “growing” in-situ (Purvis, 2006).

7.1 Grieves

Mineralisation at Grieves consists of two zones:

- Near surface peat-hosted sphalerite overlying the Gordon Limestone, at the base of the escarpment formed by Moina Sandstone.
- Sphalerite and minor galena partially oxidised to zinc oxides, carbonates and silicates to a depth of 100 to 200m. The best grades to date are from the lower limestone/sandstone contact. The peat resource occurs above this zone.

A JORC-compliant Inferred Resource was calculated by Tracie Burrows in December 2005 for the peat-hosted zinc of 409, 000t @ 3.9% Zn (Burrows, 2005). The resource is made up of three blocks as detailed below:

Table 1: Surficial Zinc Inferred Mineral Resource (Burrows 2005)

Block	Tonnes	Zn (%)
North	164 000	3.2
Central	65 000	1.1
South	180 000	5.6
Total	409 000	3.9

The above assumed a density of 1.9t/m³ (i.e. the density of dry clay). This tonnage decreases to 337,000t using a value of 1.4t/m³, (i.e. the average wet or in-situ value of the Zinifex pits).

7.2 Other Prospects

Other prospects within the lease are summarised in the table below.

Table 2: Prospects within EL47/2004

Prospect	Description	Intercepts (% Zn)	
South Grieves	Middle zone of Gordon Limestone; <20m vertical depth	ZWG1	11.8m @ 6
		ZWG22	0.8m @17.5
		ZWG26	1.9m @ 7.3
		ZWG26	1m @ 6.9
Myrtle	Middle zone of Gordon Limestone, associated with a dolomitization	ZM1008	3m @ 6.7
		ZM1008	6m @ 4.3
		ZWM18	7.1m @ 2.4
		ZM185	0.6m@ 14.9
Baura	Upper dolomite unit	ZG402	2.5m @ 3
Firewood Siding	Upper dolomite unit	ZF37	10m @ 0.38
Rose Valley	Silicified carbonate breccia	defined by 14 wacker samples, with max of 242ppm Zn	

8 WORK COMPLETED

Work within the period involved desktop studies including :

- Ongoing review of previously completed 3D Induced Polarisation and gravity data and geological interpretation, in preparation for field investigation of defined targets.
- Investigation of metallurgical process testwork on the “zinc-in-peat” resources through CODES.
- Ongoing negotiations with a number of groups to further evaluate the potential for significant “Irish-style” zinc lead-deposits within the EL and adjacent EL8 / 2005

9 PROPOSED WORK

A number of defined targets are still to be investigated and further experimental metallurgical testwork may resolve commercially viable options for the extraction of zinc from the surficial mineralised peat deposits,

Retained samples from previous bulk sampling programs will be re-sampled for additional characterisation studies.

10 ENVIRONMENTAL

No ground disturbing activities were completed within the reporting period.

11 EXPENDITURE STATEMENT

Total expenditure on EL 47/2004 for the year period 1st January until 31st December 2010 is \$29826

	\$
Geological and geophysical analysis	7245
Feasibility Study Costs	19550
Administration	3031
Total	<u>\$29,826</u>

12 REFERENCES

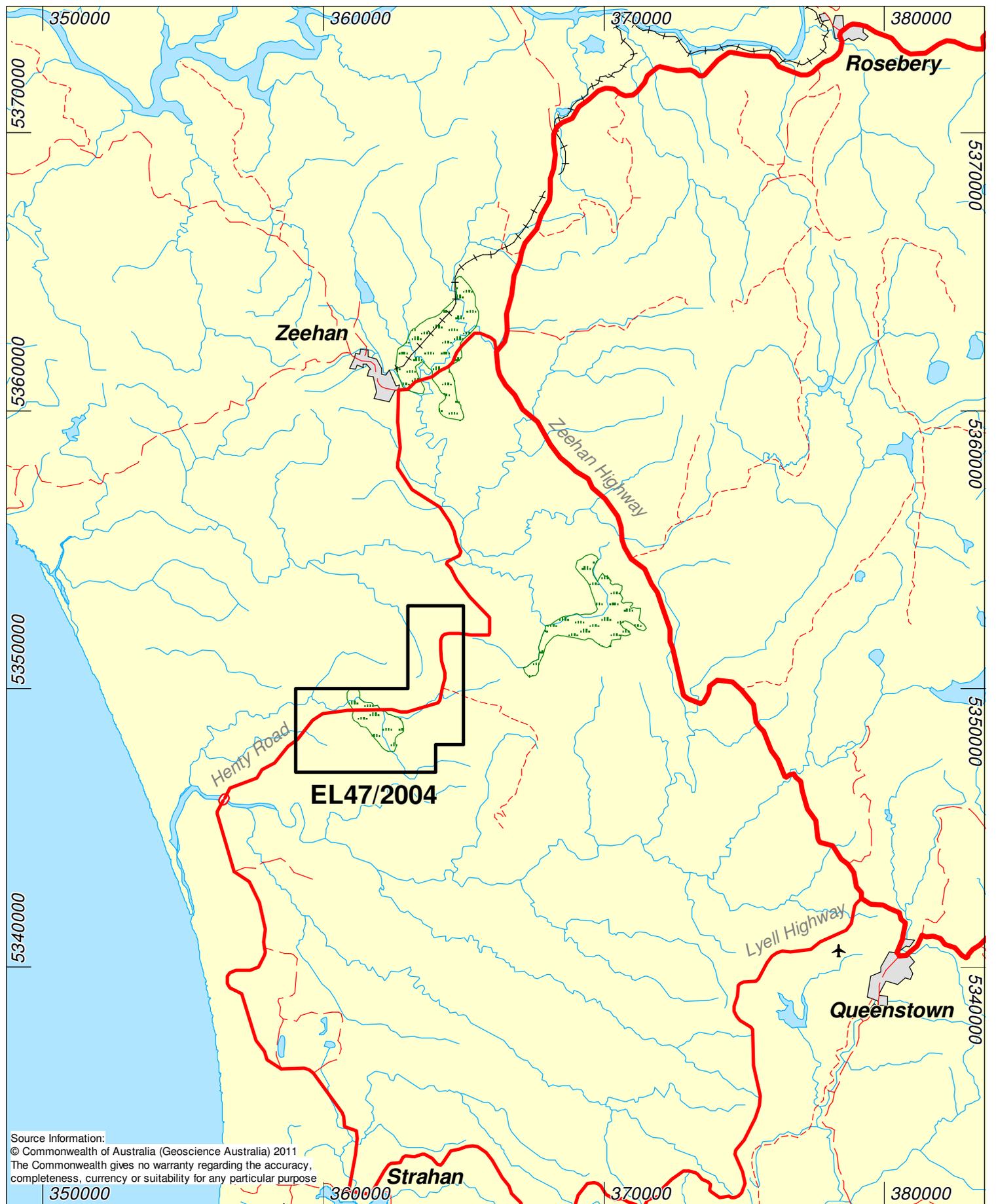
Burrows, T. 2006. Estimate of Work Required to Upgrade Resources: Grieves Prospect. Report by AMC Consultants for Icon Resources Ltd.

Lewis, R. 2006. South Eastern Resources Pty Ltd, EL47/2004 Henty Road First Annual Report 2005-2006.

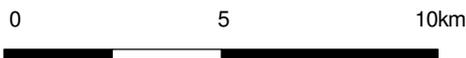
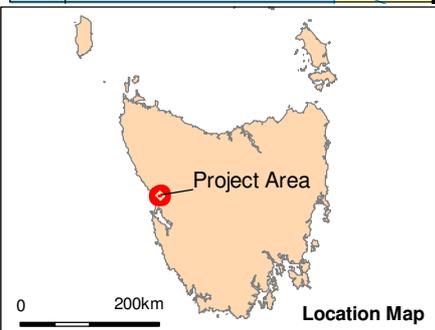
Newnham, L.A. 1998. Report in support of Retention Licence Application Grieves Siding Project (Zeehan) – EL38/89. MRT open file report 98_4193

Purvis, J.G. 2006. Sampling and Metallurgical Testing of Surficial Zinc Clays, Grieves, EL47/2004, Western Tasmania, J.G. Purvis & Associates Pty Ltd.

Russell, S.A.J., Tear, S.J. 1996. Annual Report P.E. November 1996 - EL 34/88 - Zeehan No. 2.



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 Map Grid of Australia Zone 55
 Geocentric Datum of Australia (1994)



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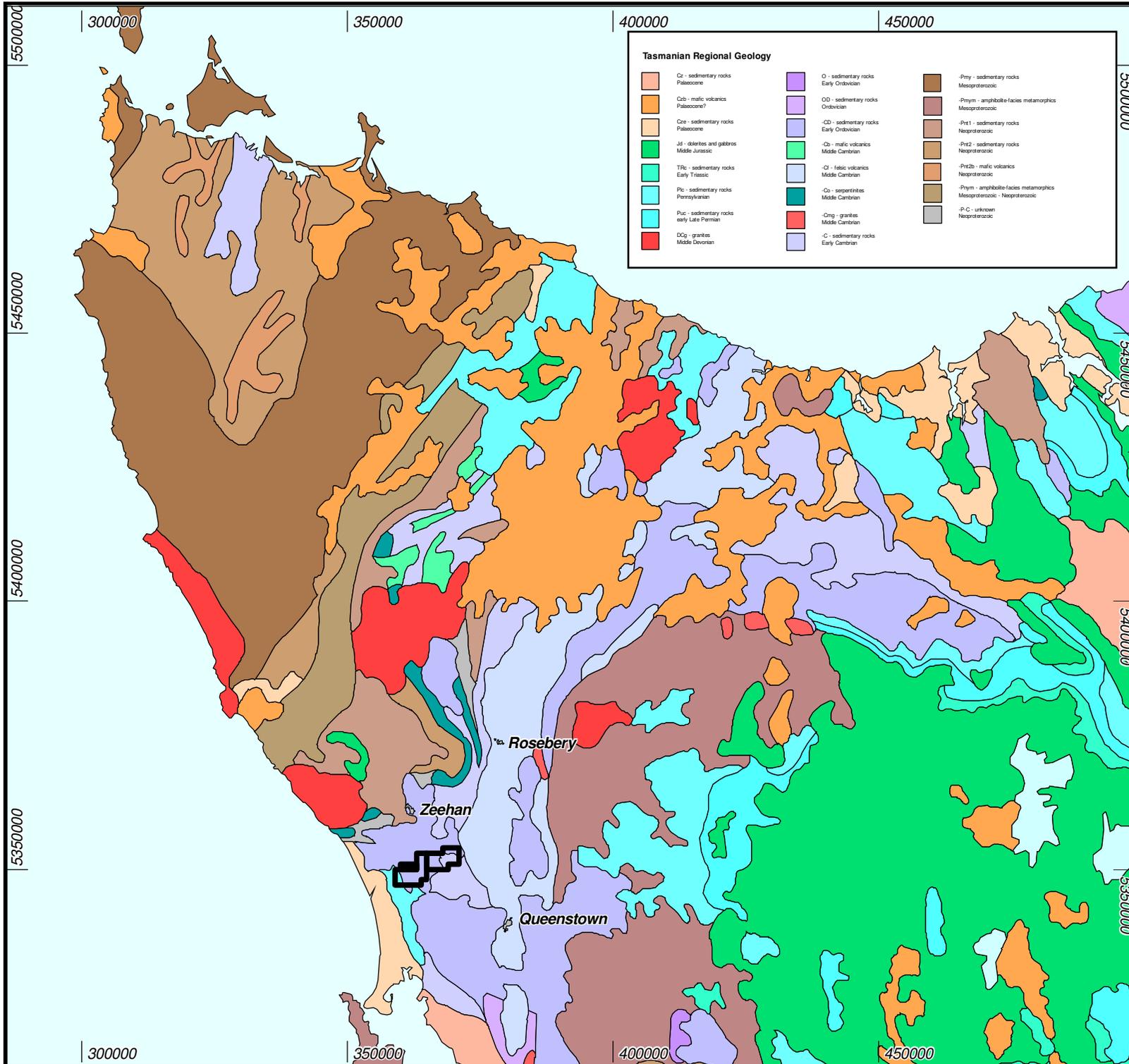
**EL47/2004 Henty Road TAS
 Tenement Location**

Date: 6 Jan 2011

Author: DH

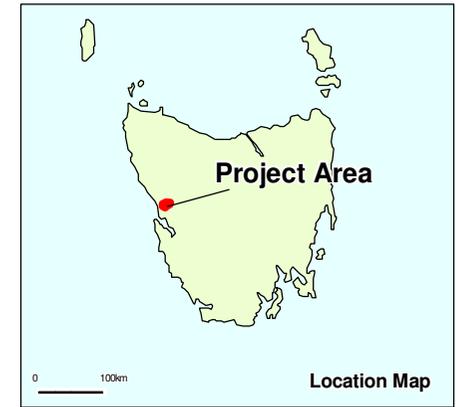
QA: DM

Office: Hobart



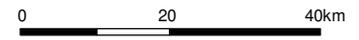
Tasmanian Regional Geology

Cz - sedimentary rocks Palaeozoic	O - sedimentary rocks Early Ordovician	-Pm1 - sedimentary rocks Mesoproterozoic
Czb - mafic volcanics Palaeozoic?	OD - sedimentary rocks Ordovician	-Pm2 - amphibolite-facies metamorphics Mesoproterozoic
Cze - sedimentary rocks Palaeozoic	OD - sedimentary rocks Early Ordovician	-Pr1 - sedimentary rocks Neoproterozoic
Jd - diorites and gabbros Middle Jurassic	Cz - mafic volcanics Middle Cambrian	-Pr2 - sedimentary rocks Neoproterozoic
TRc - sedimentary rocks Early Triassic	Cf - felsic volcanics Middle Cambrian	-Pr2b - mafic volcanics Neoproterozoic
Pc - sedimentary rocks Pennsylvanian	Cs - serpentinites Middle Cambrian	-Pm - amphibolite-facies metamorphics Mesoproterozoic - Neoproterozoic
Puc - sedimentary rocks early Late Permian	Orp - granites Middle Cambrian	-P-C - unknown Neoproterozoic
DCg - granites Middle Devonian	C - sedimentary rocks Early Cambrian	



Icon tenement boundaries

Source information:
 Geology simplified from Liu, S.F., Raymond, O.I., Retter, A.J., Stanley, S.P., Percival, D.S. 2005. Surface geology of Australia 1:1,000,000 scale, Tasmania - 2nd edition [Digital Dataset] Canberra: Geoscience Australia. <http://www.ga.gov.au>

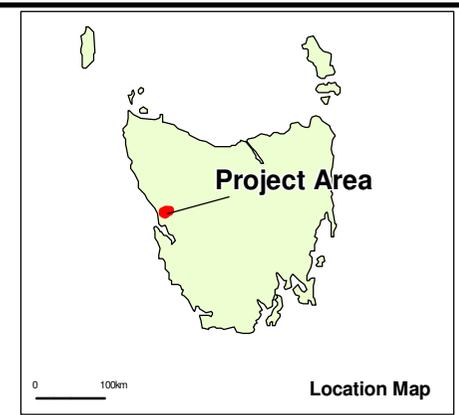
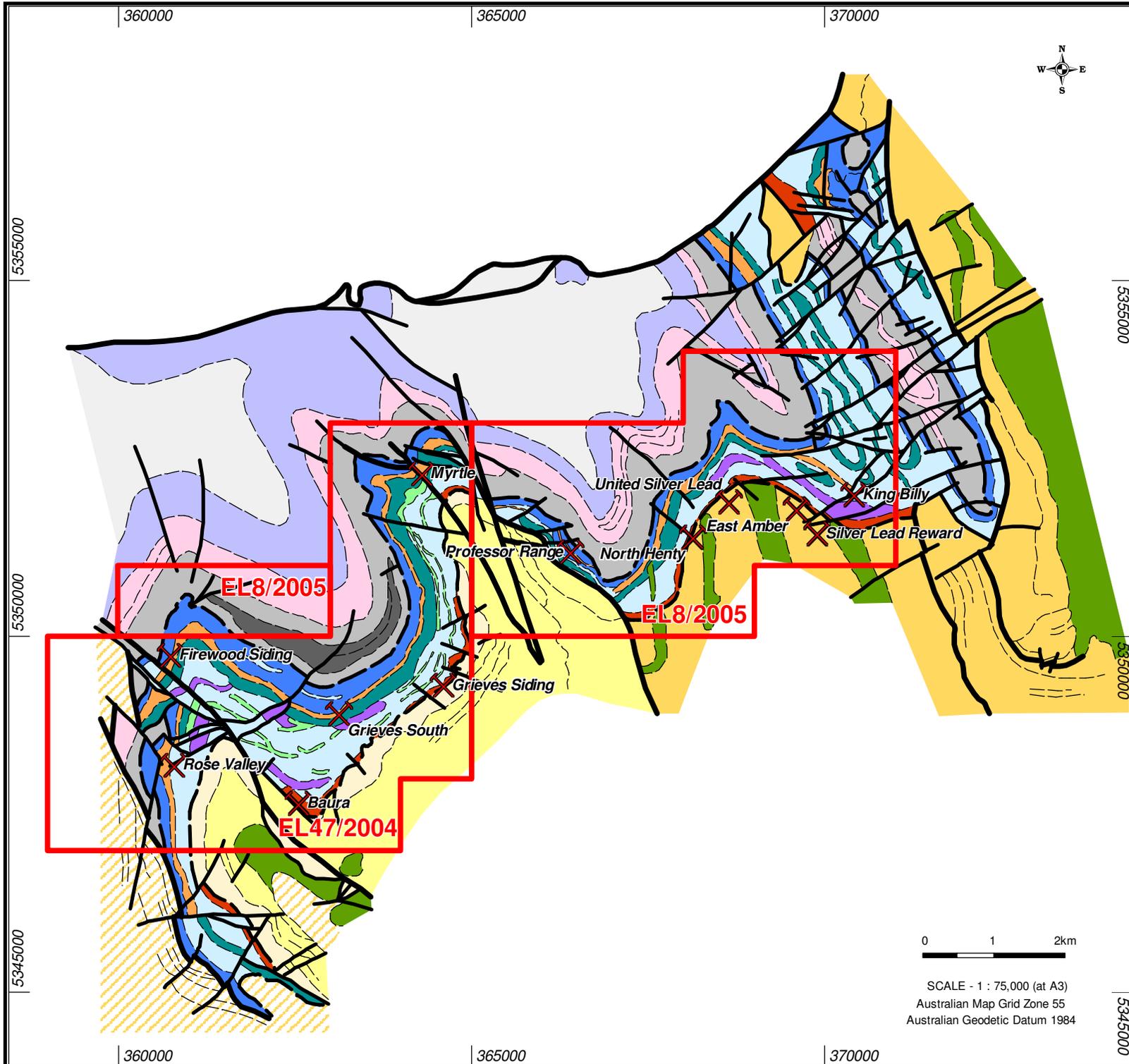


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 Map Grid of Australia Zone 55
 Geocentric Datum of Australia 1994



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**EL47/2004 Henty Road and
 EL8/2005 Amber Creek TAS
 Regional Geology**



Lithostratigraphy		Age
[Yellow box]	Undifferentiated Sediments	Permian
[Grey box]	Bed Shale	Devonian
[Light blue box]	Florence Quartzite	
[Pink box]	Austral Creek Siltstone Kest Quartzite Amber Slate	
[Dark grey box]	Crotty Quartzite	Silurian
[Dark grey box]	Undersified Unit (Crotty Quartzite)	
[Blue box]	Upper Dolomite	Ordovician
[Light blue box]	Limestone	
[Orange box]	Siltstone Unit	
[Teal box]	Middle Dolomite Unit	
[Light green box]	Argillaceous Unit	
[Purple box]	Dobsonic Unit	
[Red box]	Siderite Unit	
[Light yellow box]	Moira Sandstone	Cambro-Ordovician
[Yellow box]	Owen Conglomerate	
[Yellow box]	Sediments	Cambrian
[Green box]	Mafic Units	
[White box]	Magnetic Units	Undifferentiated
[Dashed line]	Gordon Limestone Contact	
[Dotted line]	Lithological Contact	
[Thick black line]	Major Fault	
[Thin black line]	Fault	
[Red outline]	Anchor EL Boundary	

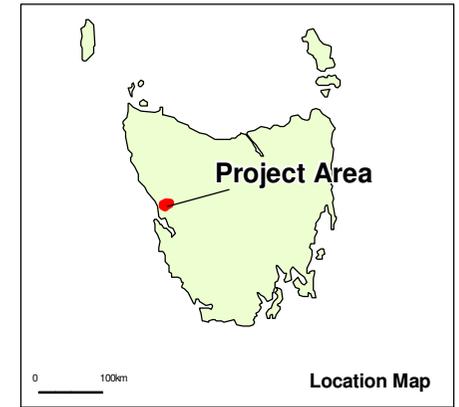
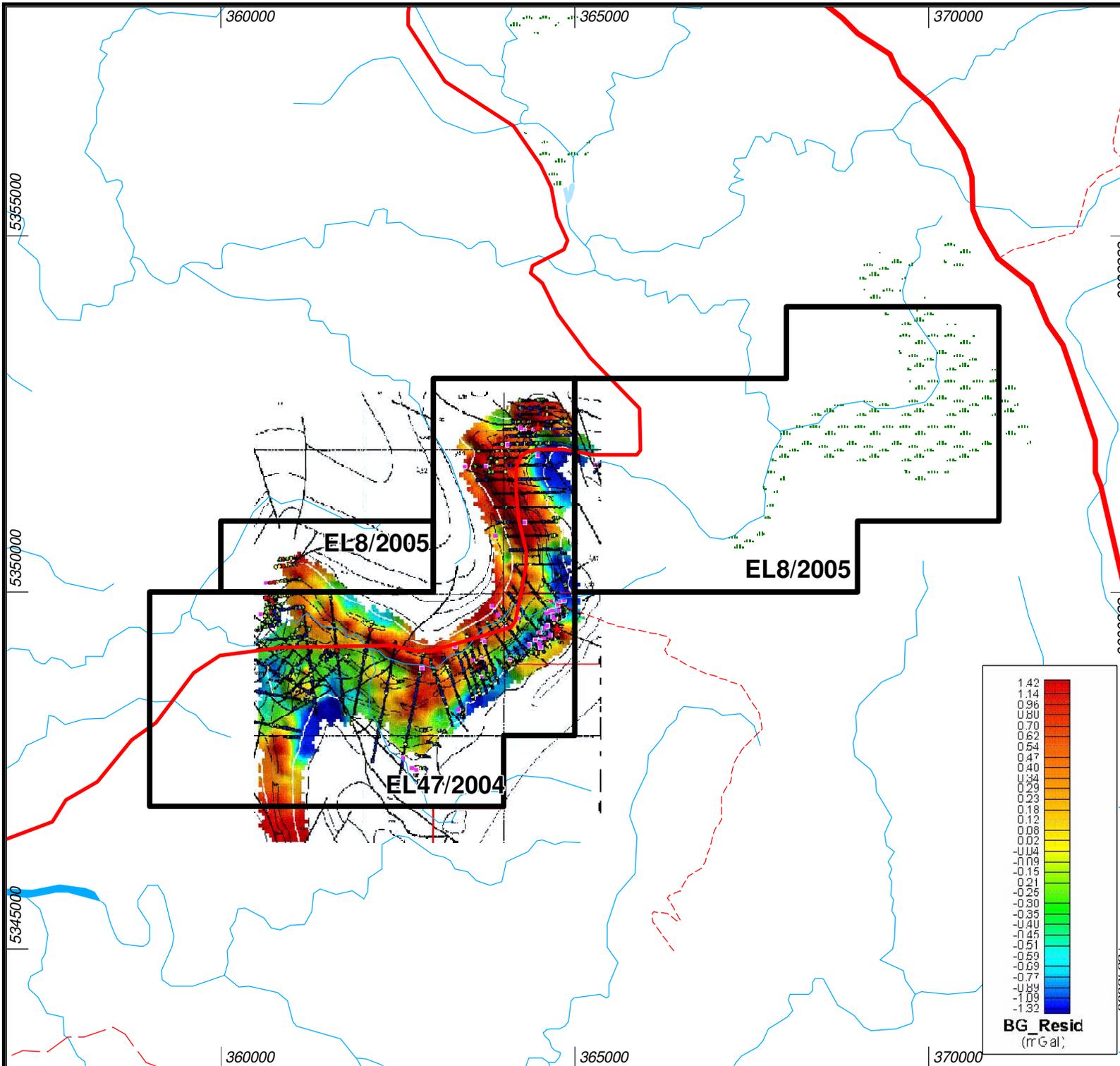
Source information:
 Geology extracted from Figure 13 of
 Tear, S., 2002, Annual Report for EL 6/2001 (Professor Creek)
 for the period 22nd June 2001 to 22nd June 2002 for
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**EL47/2004 Henty Road and
 EL8/2005 Amber Creek TAS
 Local Geology and Prospects**



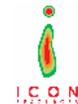
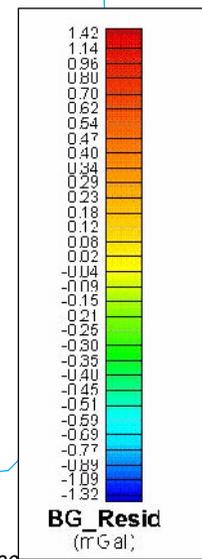
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 Australian Map Grid Zone 55
 Australian Geodetic Datum 1984



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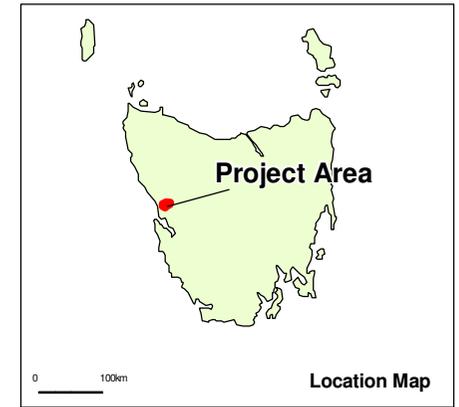
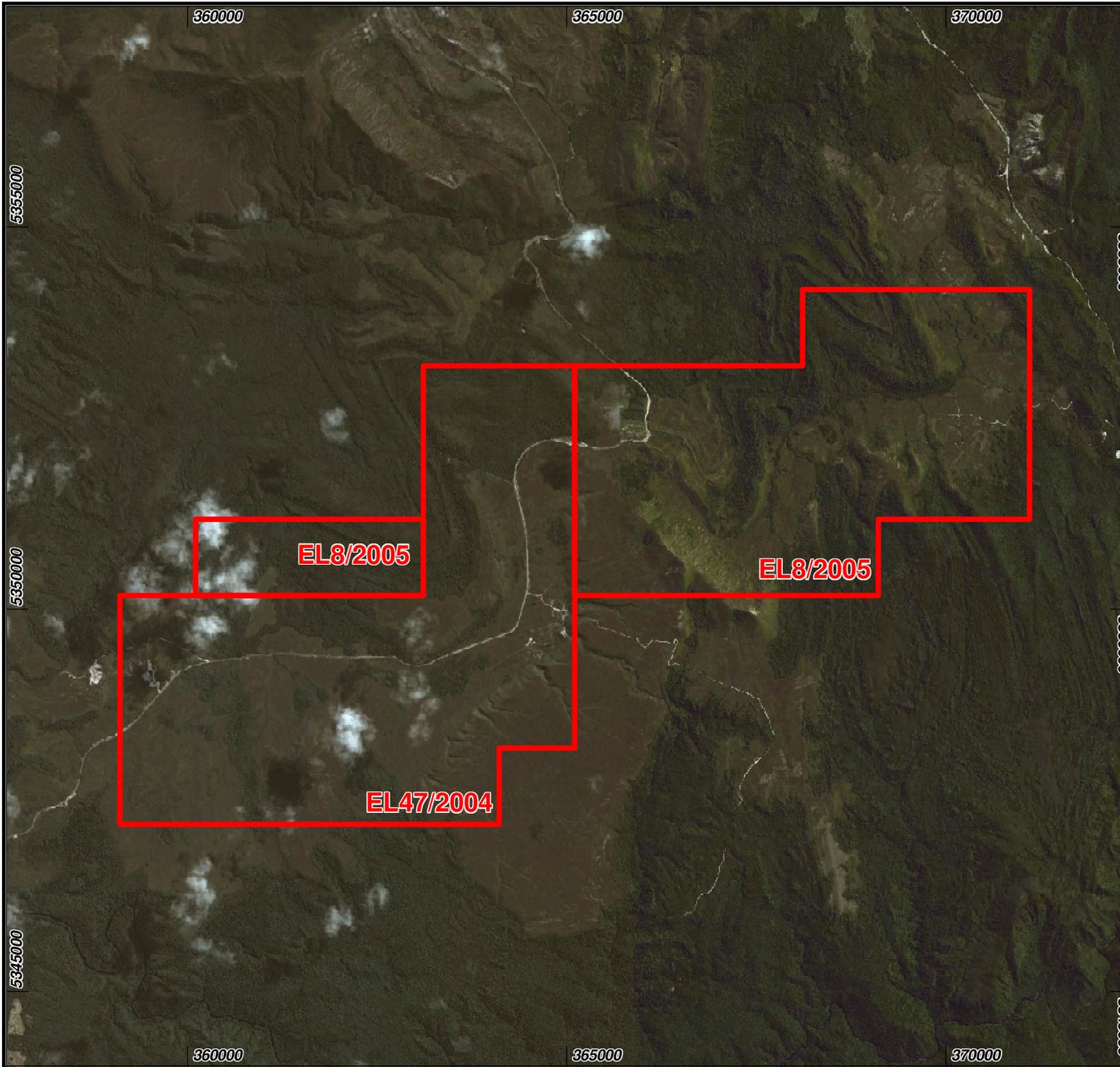


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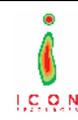
**EL47/2004 Henty Road and
 EL8/2005 Amber Creek TAS
 Bouguer Gravity**



Source information:
Google earth imagery extracted 11 January 2011

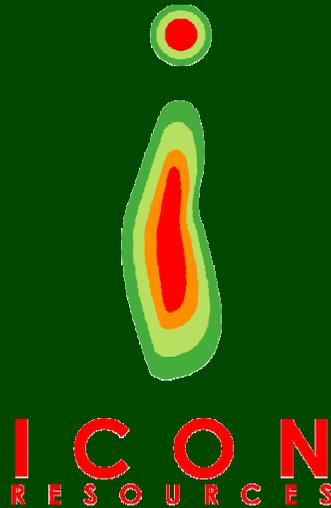


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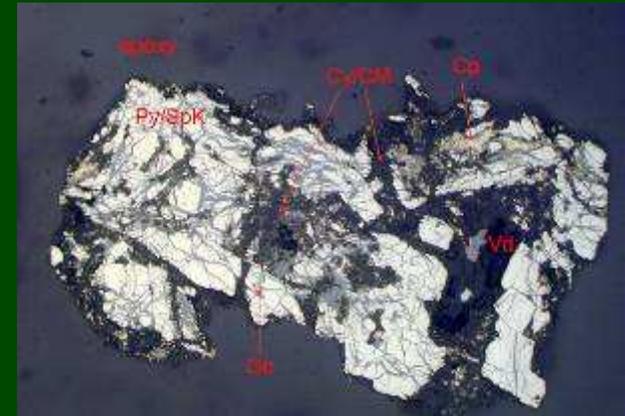
**EL47/2004 Henty Road and
EL8/2005 Amber Creek TAS
Google Earth Imagery**



Grieves Zinc Project

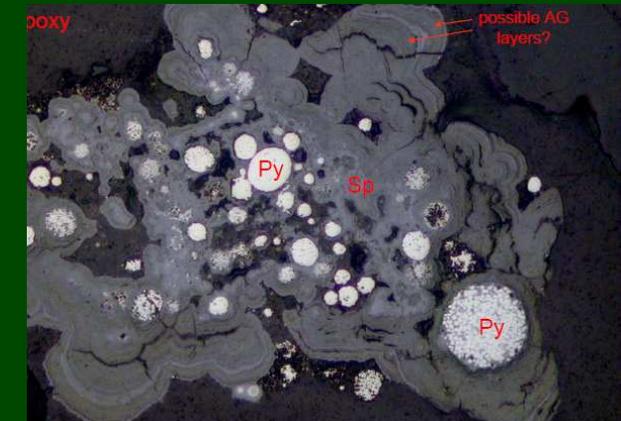
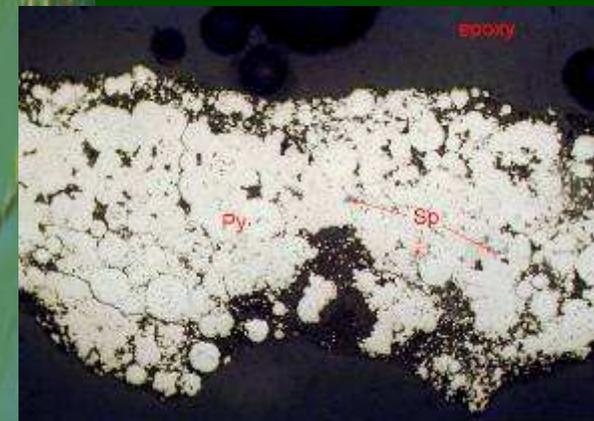
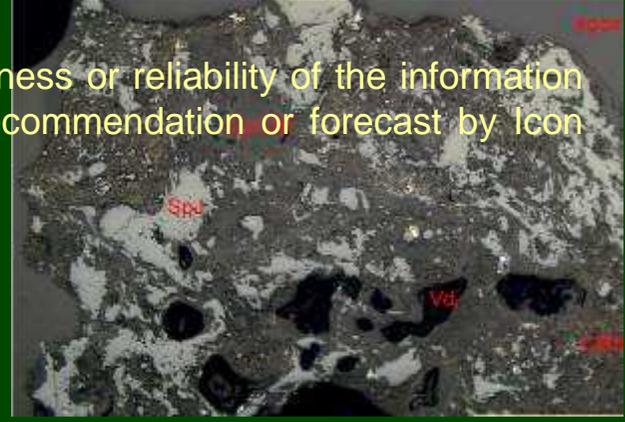
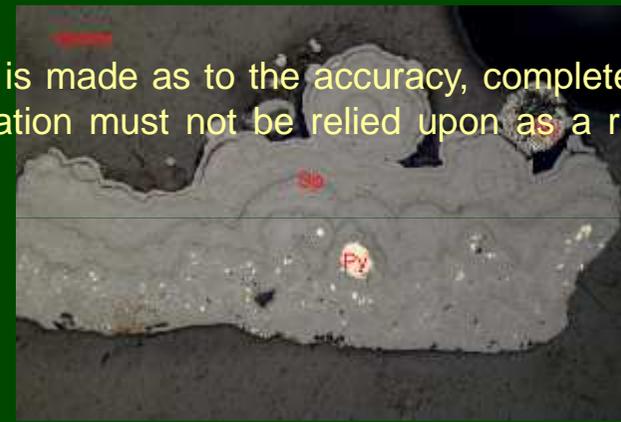
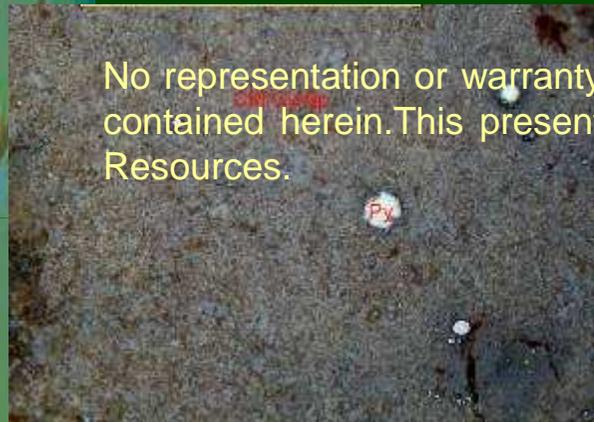
- **Darcy Milburn, Exploration Manager**
dmilburn@iconresources.com.au

February 2011



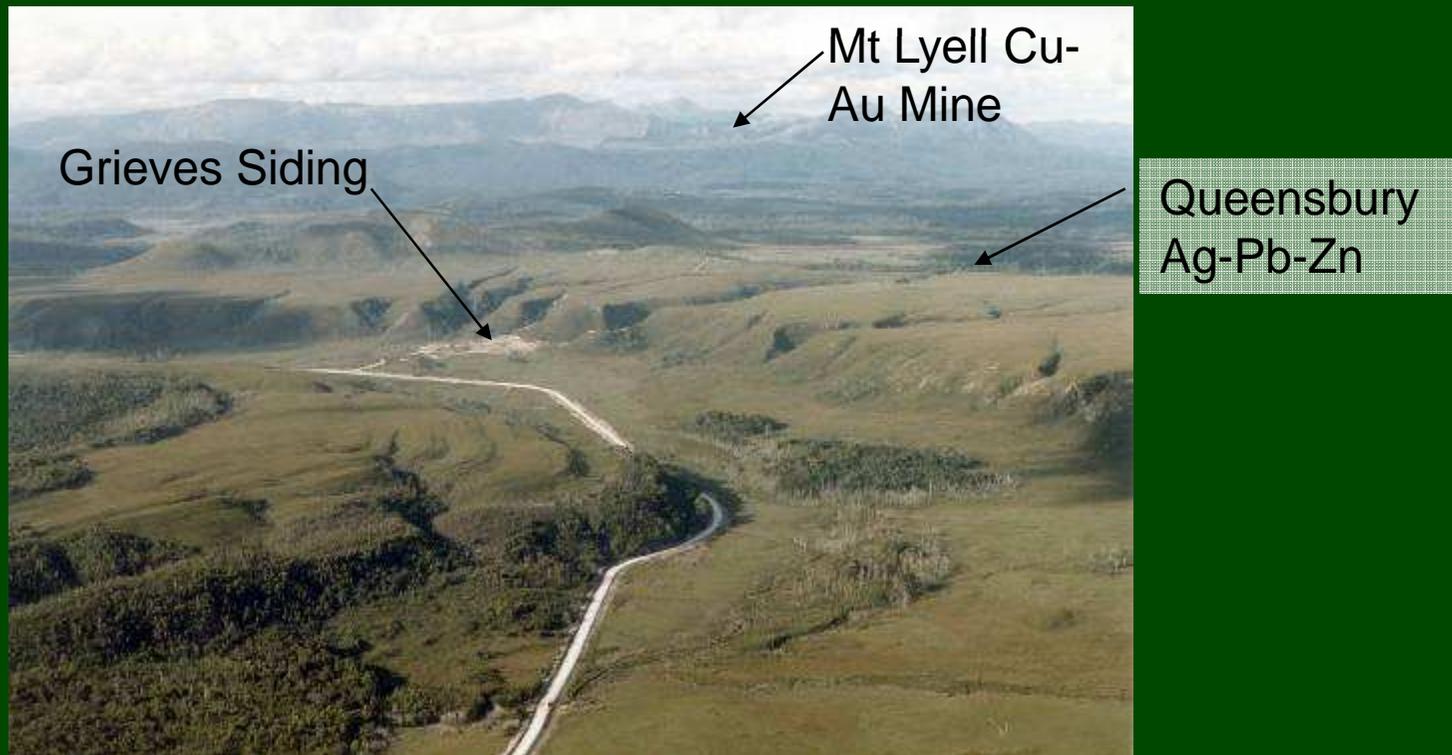
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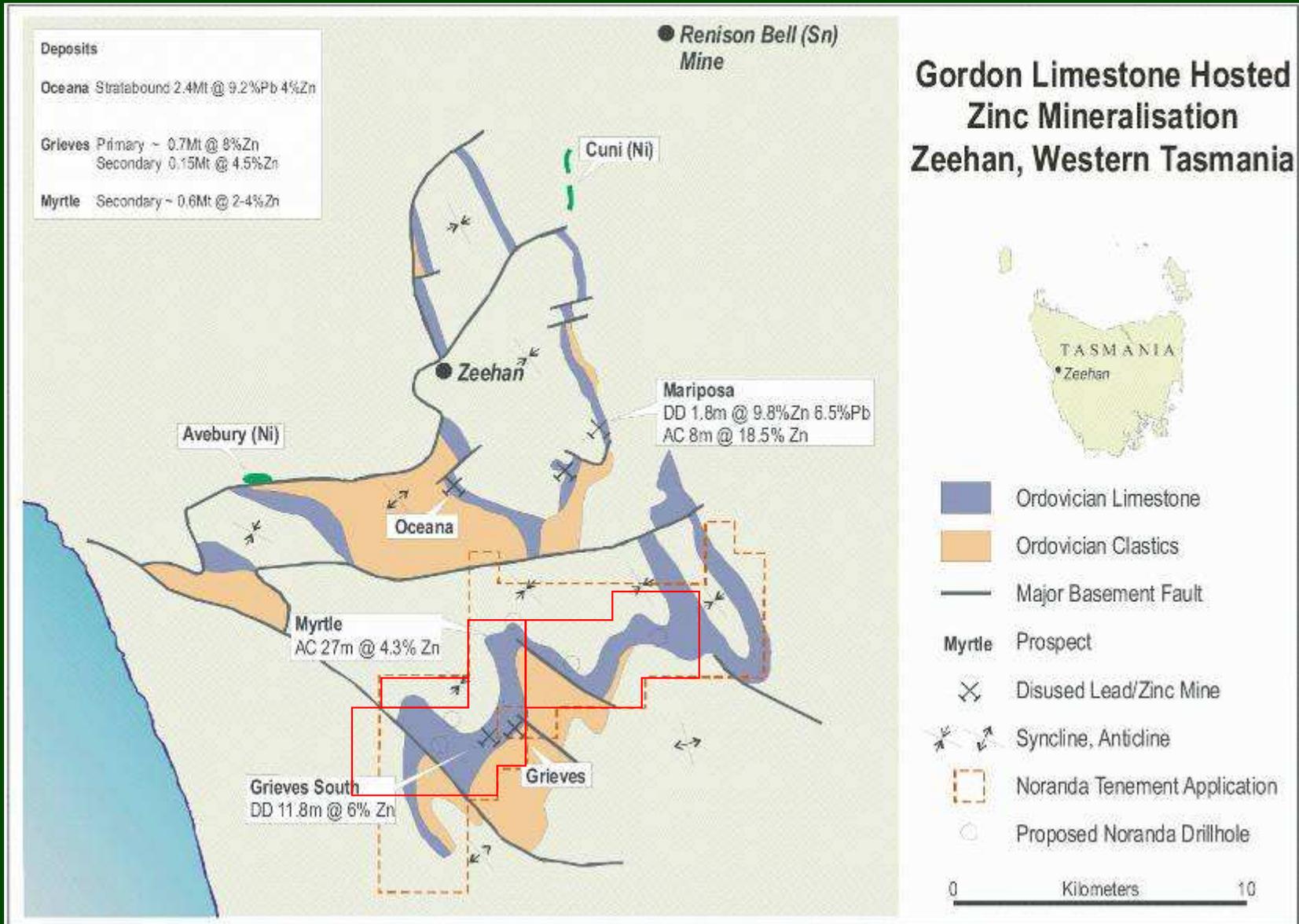


History

- The Professor Leases straddle the Zeehan-Strahan road which was built over an old railway line. The valley floor is underlain with Ordovician Limestone, with the western and eastern walls Silurian Sandstone and Ordovician Quartzite, respectively.
- The Grieves Siding Zinc Prospect was discovered in the 1960s - a geochemical discovery (Grieves Siding was a loop off the railway, built to service the Queensberry Ag-Pb-Zn mine.)
- Defined by previous exploration drilling



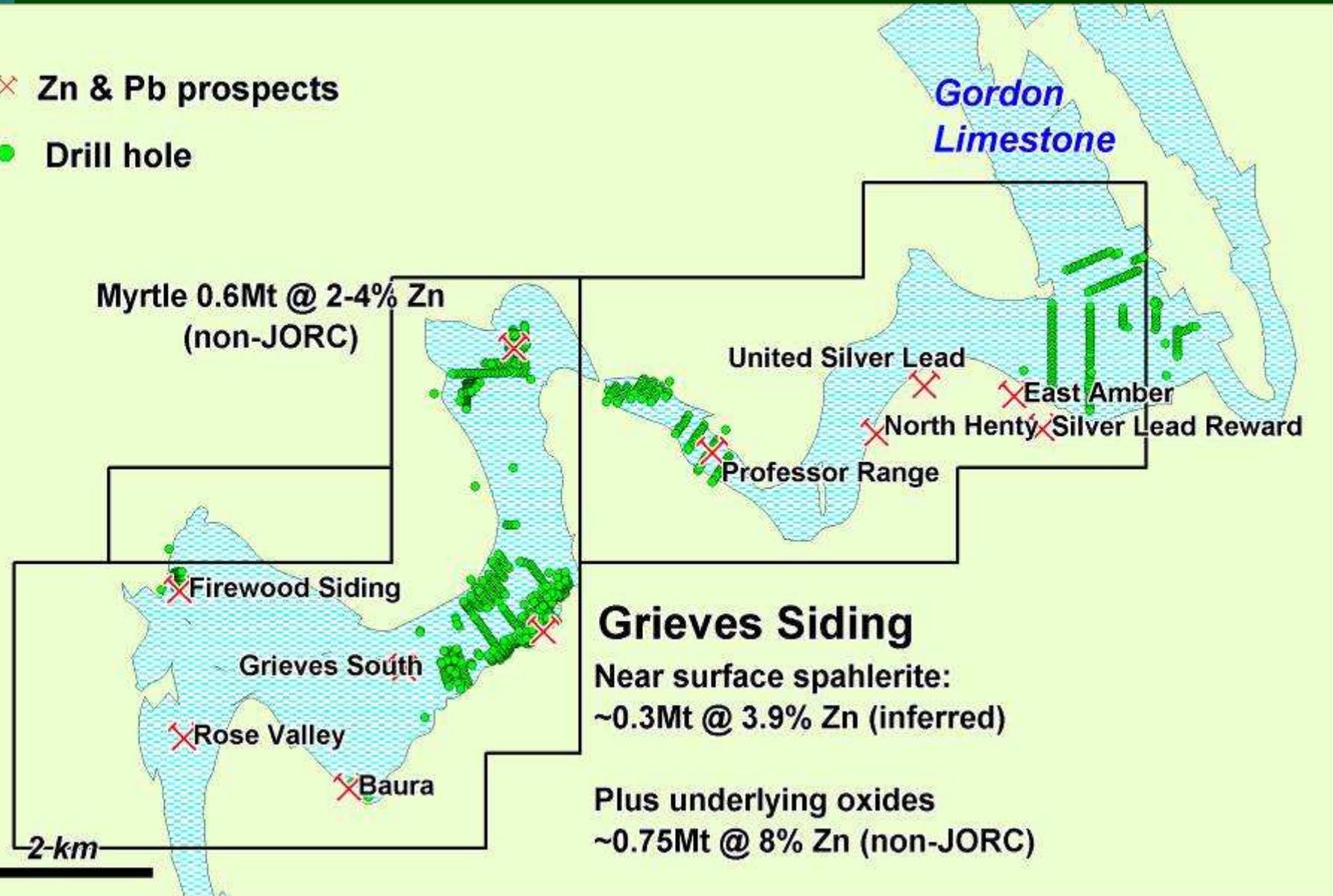
Regional Geology (after Noranda, 2002)

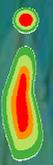


Prospects & Resources

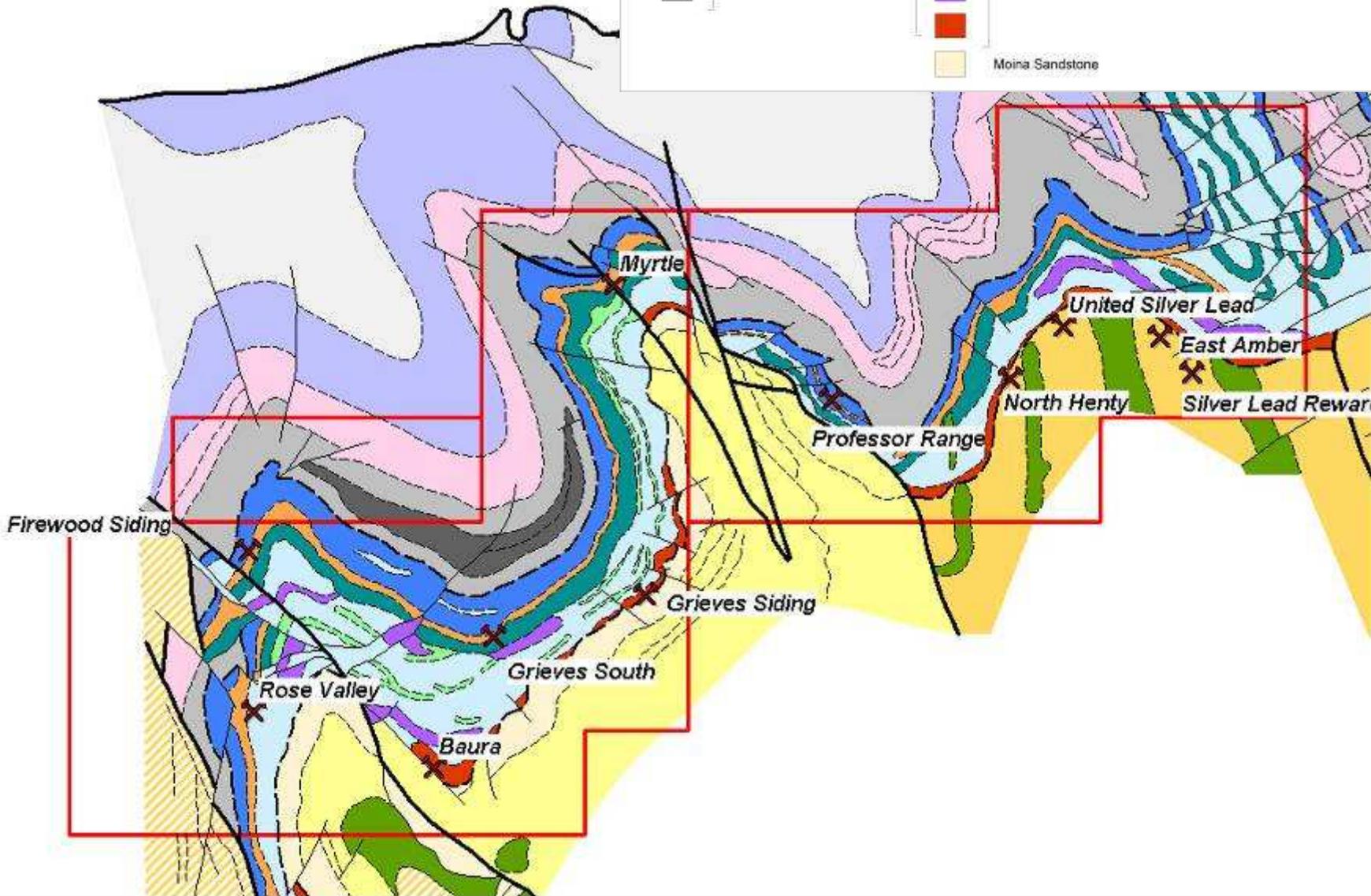
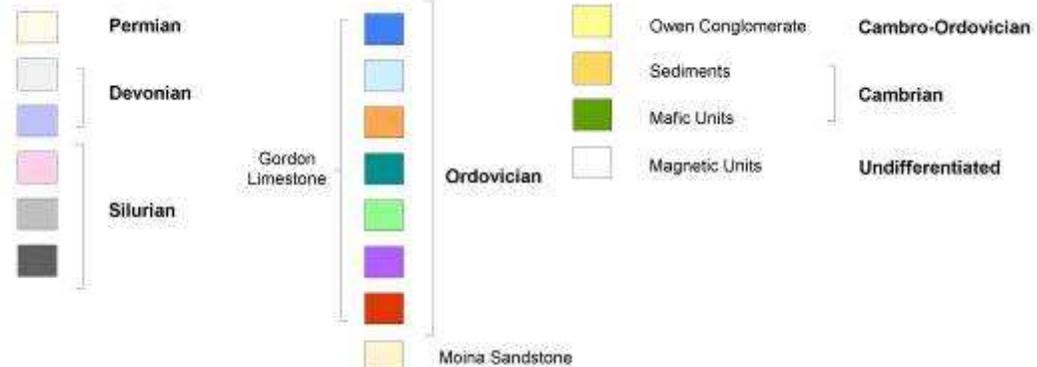
✕ Zn & Pb prospects

● Drill hole

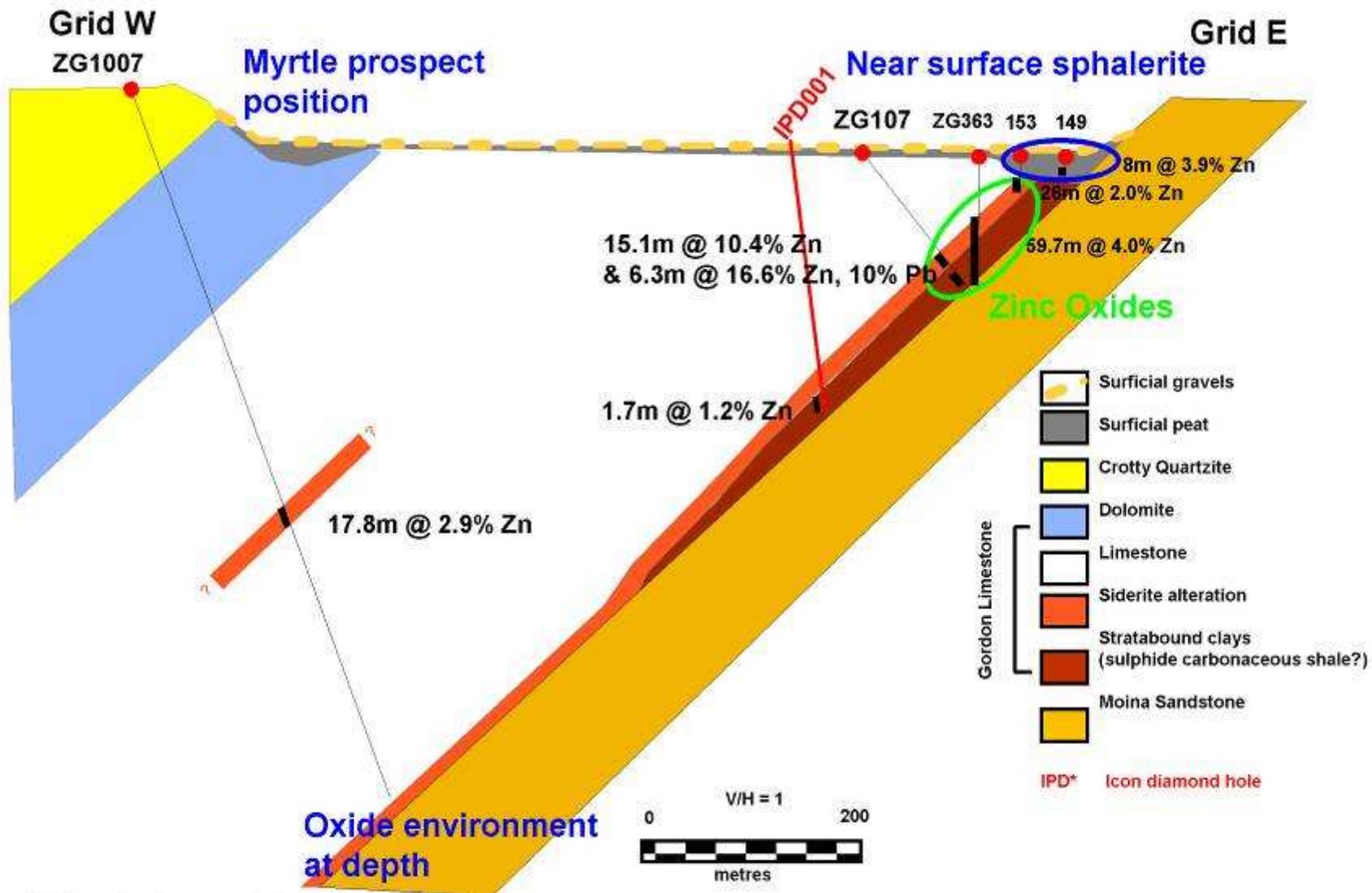




Geology & Prospects



Grieves Geology



** Holes projected on to section from up to 300m off section

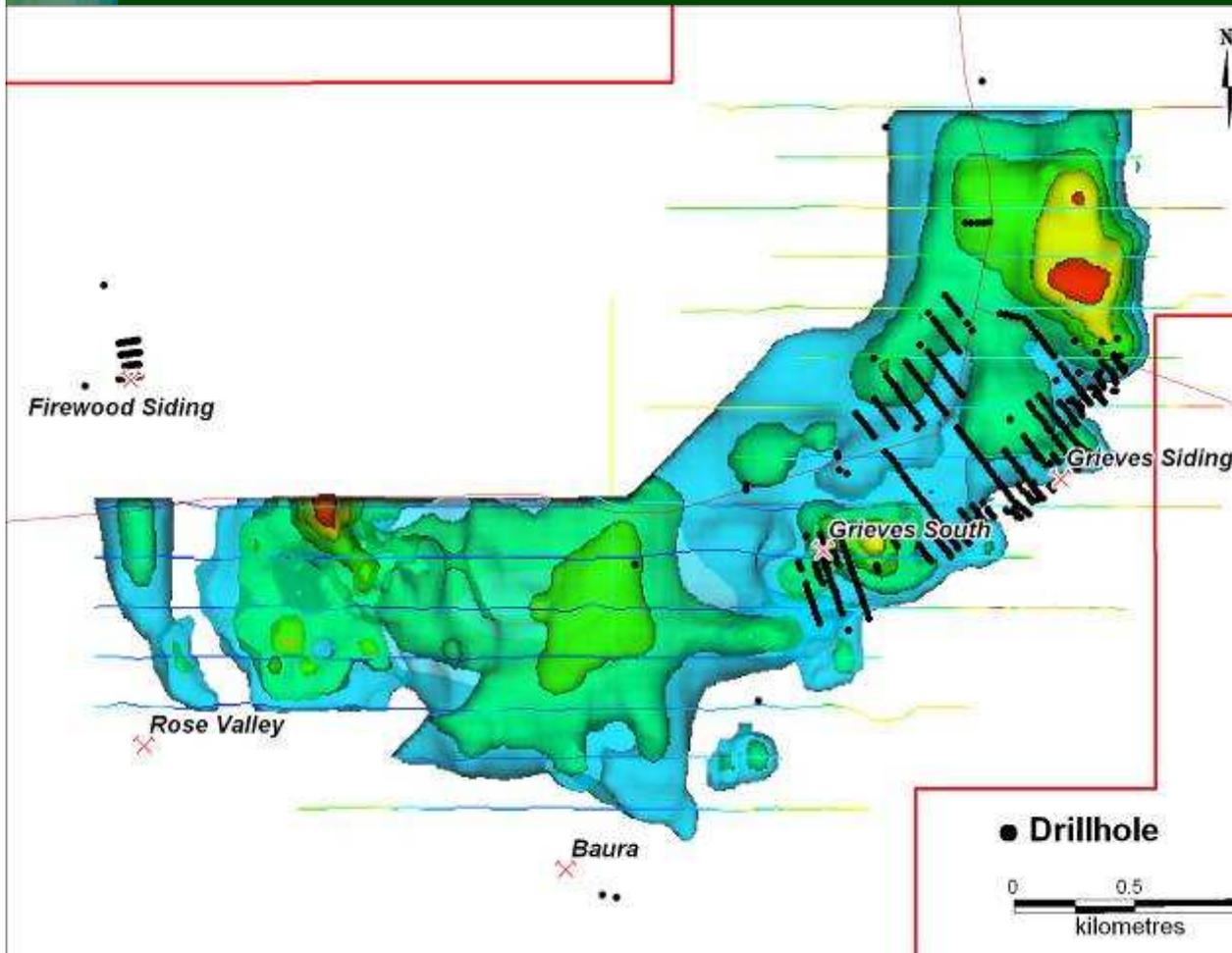


Icon Exploration 2007-2010

- 3D – IP survey (2.4km x 3.2km) over the Gordon Limestone sequence
- A two-phase diamond drill program:
 - 1st phase: 4 holes into multiple targets incl. deeper “primary” zinc mineralisation and Grieves Fault (possible feeder structure).
 - 2nd phase: 3 holes to test chargeability anomalies from 3D-IP survey
- Excavator/auger peat-sampling program of 52 pits at Grieves to extend and the near-surface zinc in peaty-clays resource.
- Extensive metallurgical test work of zinc in peaty-clays using bulk samples collected from Zinifex and Icon excavator pit programs.

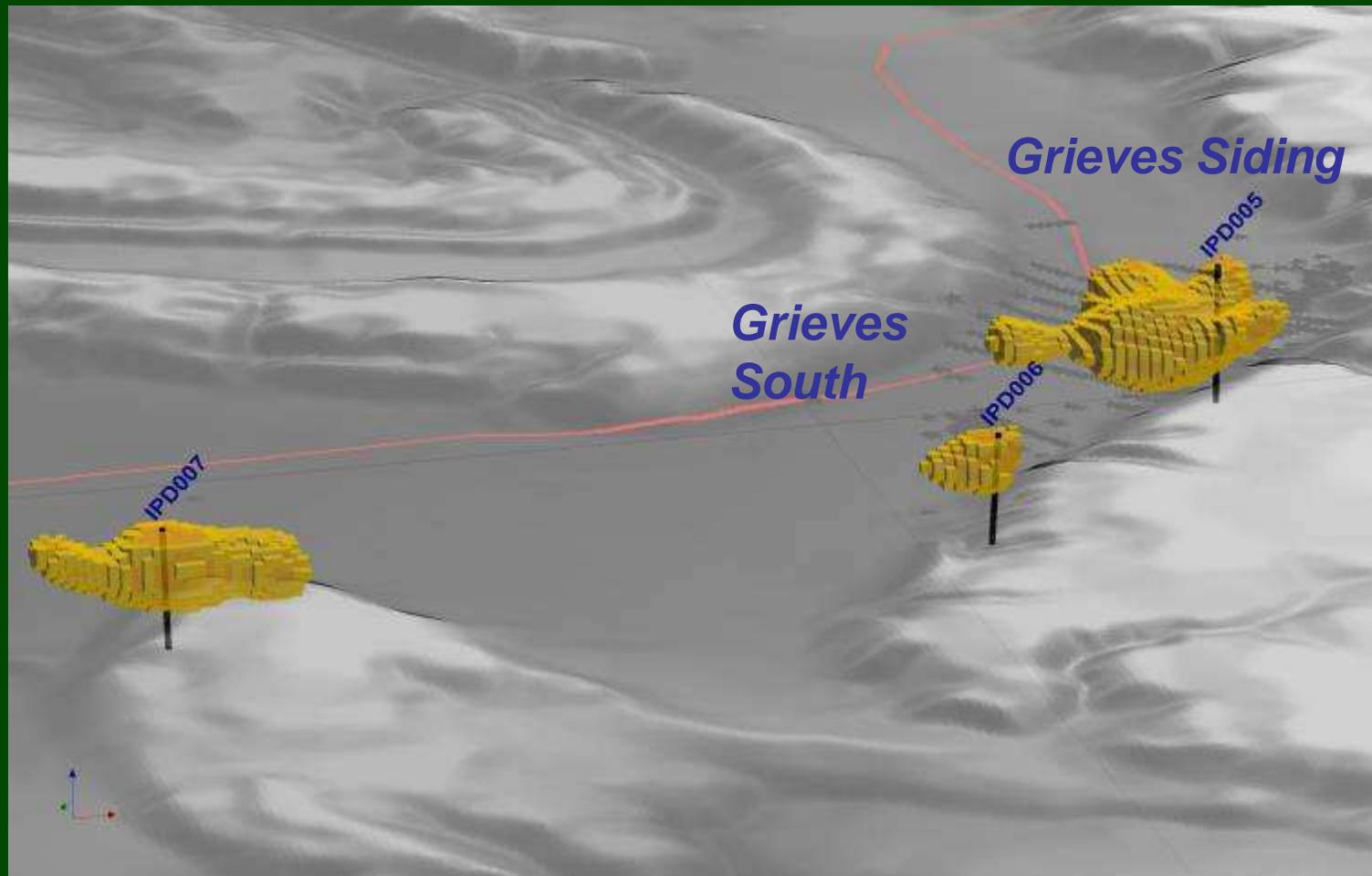
3D - IP Survey

● Modelled chargeability



3D – IP Survey

- 3D – IP chargeability anomalies (+30 m-sec) tested by 3 diamond holes
- Disseminated pyrite intersected, but no significant zinc mineralisation



Near-surface zinc: type cross-section

- Icon's effort to date has been focussed on the near-surface zinc in peaty-clays.

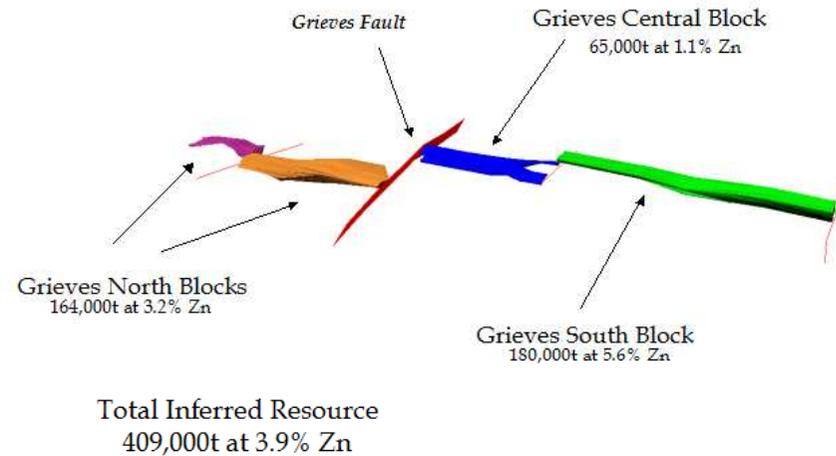


Near-surface zinc: Grieves Auger Program

- Aim: to infill & extend the Grieves Siding near-surface zinc resource.

GRIEVES SIDING - INFERRED RESOURCE

As at December 2005

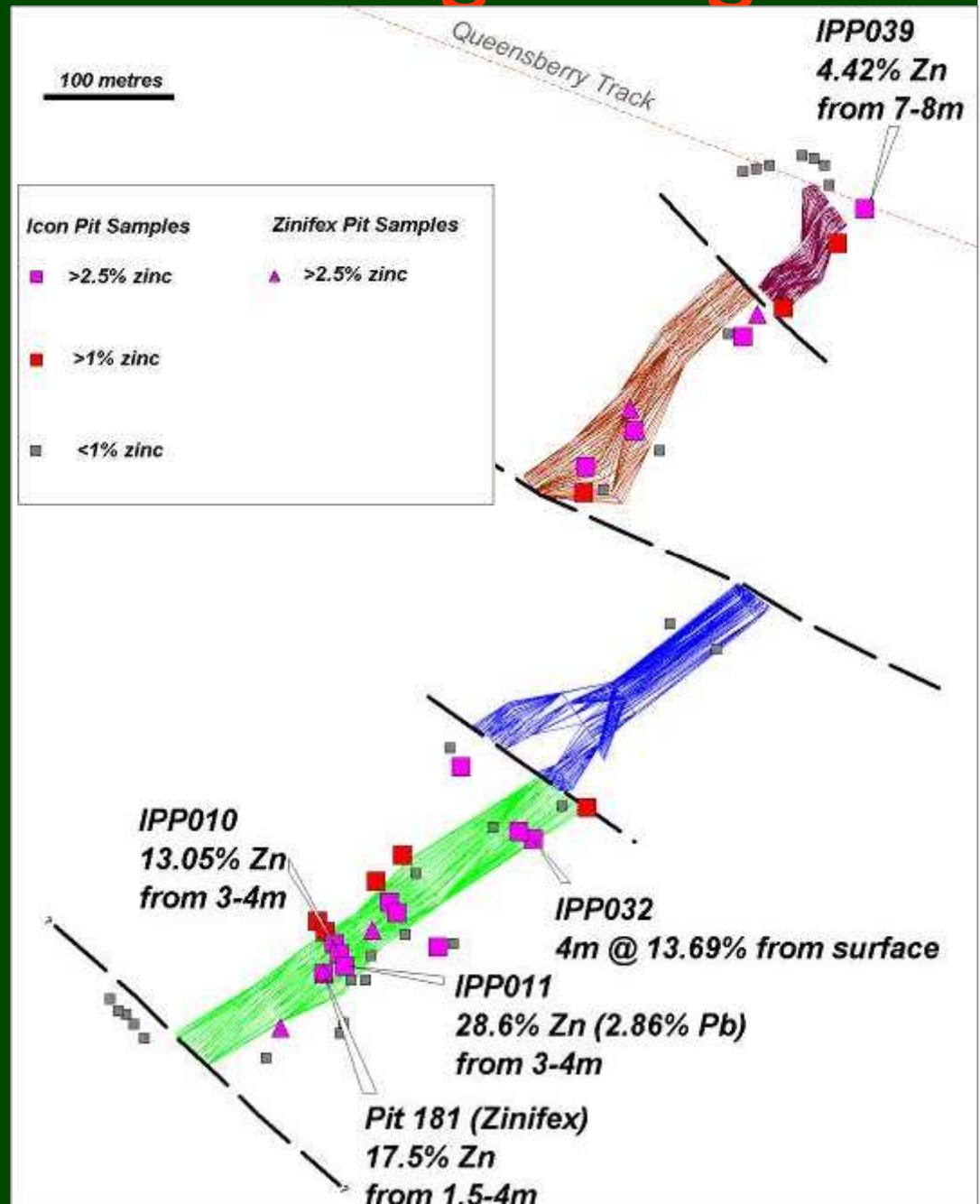


Completed

- 52 pits (out of planned 60)
- Peat zone 1 to 8 metres thick
- 8 pits ended in peat at depth capacity of auger (8m)

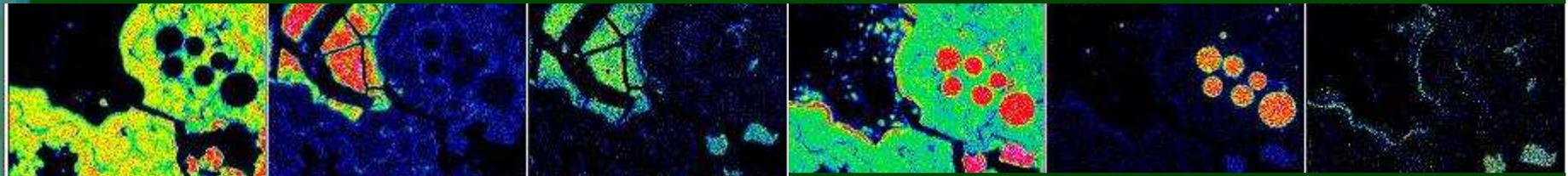
Near-surface zinc: Grieves Auger Program

- Near-surface mineralisation extended to the NE and widened the 'Southern Zone' to the NW and SE.
- Out of 52 pits, 19 returned results >1% Zn
14 returned results >2.5% Zn



Near-surface zinc: Metallurgical Test Work

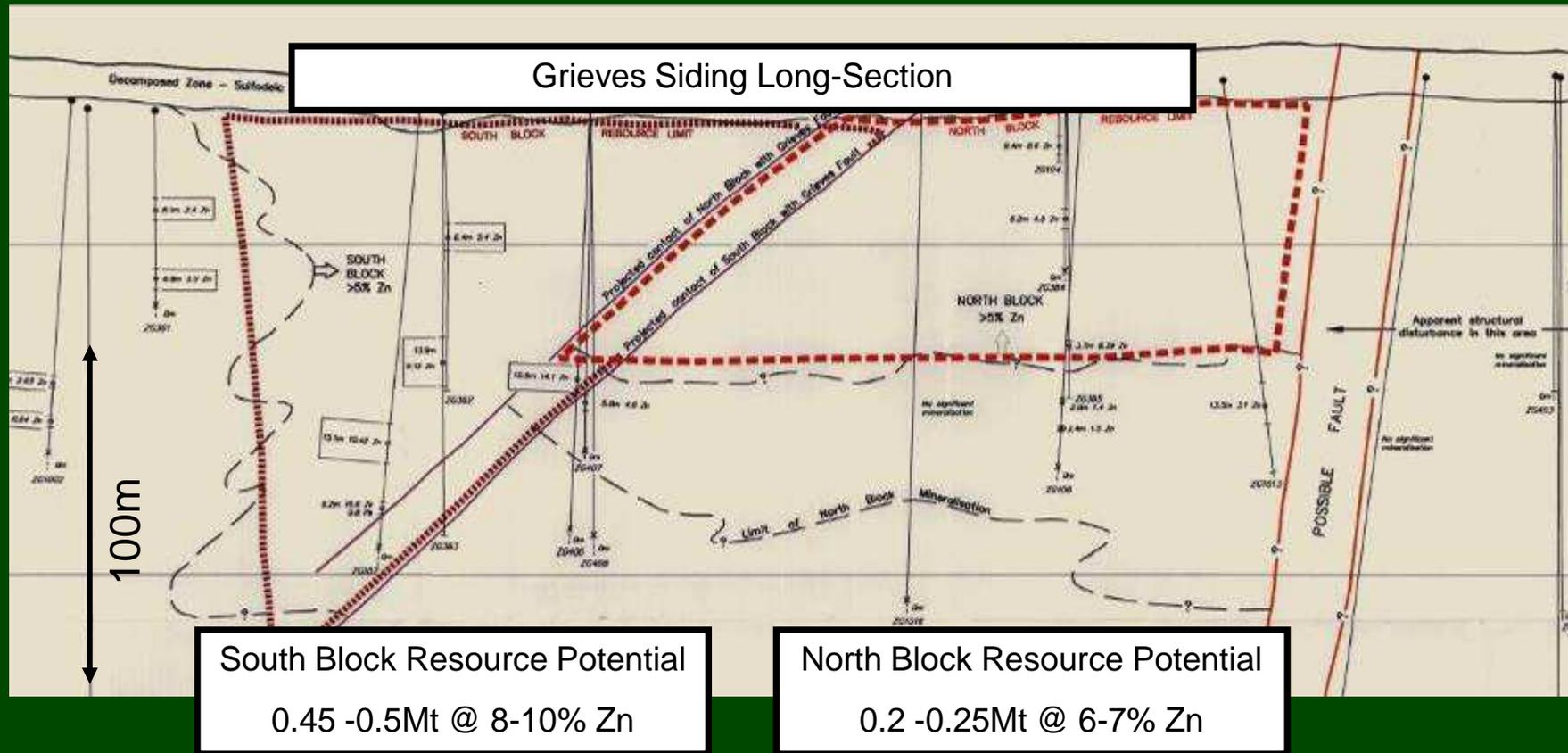
- Icon has been conducting a series of metallurgical experiments to determine if the near-surface material can be profitably extracted.
- Results to date have been encouraging but not non-conclusive, with high acid consumption a significant issue.



Colloform sphalerite with secondary galena overgrowth (from QEMSCAN, McKnight, 2006)

Underlying Zinc 'Oxides'

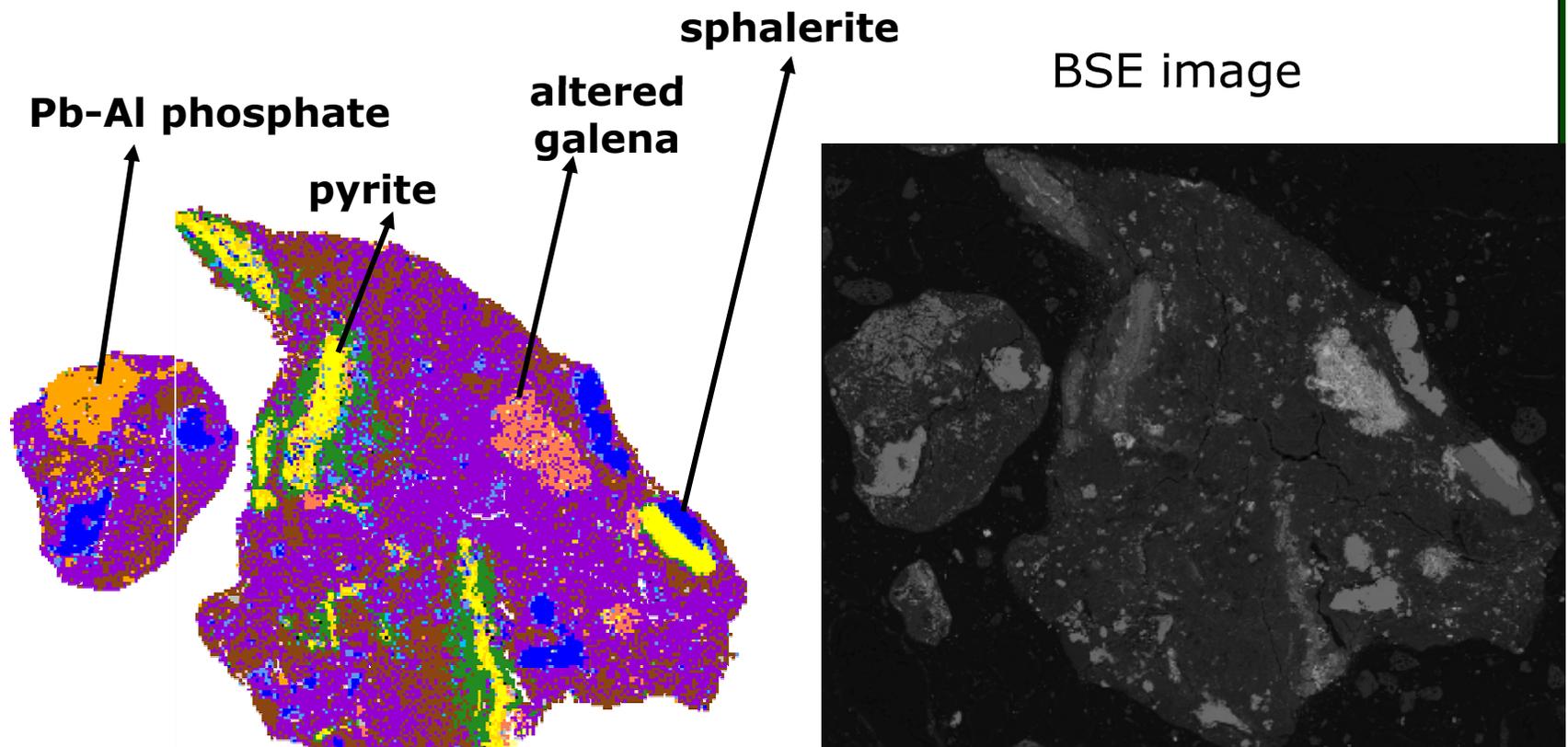
- There is more contained zinc in the underlying 'oxides' than in the near-surface 'sphalerite' (non-JORC resource of ~0.75Mt @ 8% Zn).



Underlying Zinc 'Oxides'

- Preliminary Oxide mineralogy characterisation (QEMSCAN)

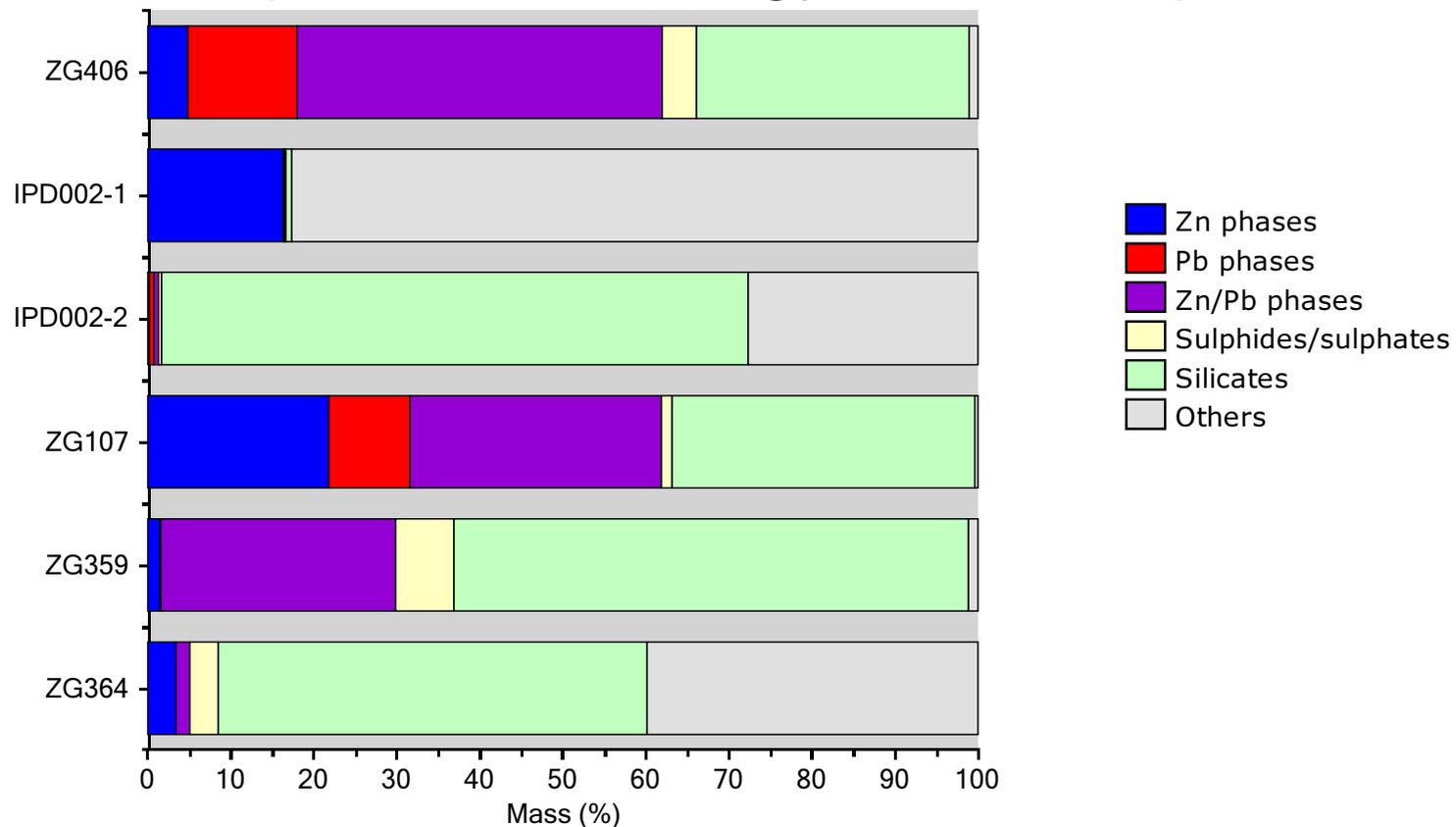
- Icon Resources Ltd, Zn + Pb mineralogy
- Sample ZG406



Grieves Siding Zinc 'Oxides'

- Icon Resources Ltd

– Simplified mineralogy – Zn / Pb phases



Grieves Siding Zinc 'Oxides'

- Icon Resources Ltd

- Modal mineralogy

